



Town of Southern Shores

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Ordinance No. 2013-06-01

An Ordinance of the Southern Shores Town Council Adopting a Budget and Tax Rate for FY 2013-2014 and Creating a Capital Project

BE IT ORDAINED by the Town Council of the Town of Southern Shores, North Carolina that the following be the various budgets for FY 2013-14, and that a Capital Project be established:

SECTION I. GENERAL FUND

- A. Appropriations: The following amounts are appropriated for the operation of the Town government and its activities for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

| | |
|---|-------------------|
| Administration Department | \$ 932,610 |
| Code Enforcement & Inspections Department | \$ 227,420 |
| Fire Department | \$ 525,505 |
| Ocean Rescue Services | \$ 156,000 |
| Police Department | \$ 1,383,390 |
| Public Works Department | \$ 374,730 |
| Public Works Department – Streets, Bridges & Canals | \$ 496,200 |
| Sanitation Services | \$ 646,000 |
| Contribution to Capital Reserve Fund | \$ <u>856,210</u> |

Total General Fund Appropriations **\$ 5,598,065**

- B. Estimated Revenues: It is estimated that the following revenues will be available during the fiscal year beginning July 1, 2013 and ending June 30, 2014 to meet foregoing appropriations:

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|---|--------------|
| Property Taxes- Current Year | \$ 2,812,923 |
| Vehicle Taxes- Current Year | \$ 48,000 |
| Property & Vehicle Taxes- Prior Years, Penalties and Interest | \$ 9,582 |
| Subtotal: Property and Vehicle Taxes | \$ 2,870,505 |

| | |
|----------------------------------|-------------------|
| Land Transfer | \$ 201,625 |
| Local Option Sales Tax | \$ 814,985 |
| Occupancy Tax | \$ 900,000 |
| Other Intergovernmental Revenues | \$ 470,400 |
| Building Permits & Fees | \$ 92,100 |
| Lease purchase proceeds | \$ 74,000 |
| Other Revenues | \$ <u>174,450</u> |
| | \$ 2,727,560 |

Total General Fund Revenues **\$ 5,598,065**

SECTION II. CAPITAL RESERVE FUND

Appropriations Authorized:

| | |
|---|------------|
| Transfer to General Fund for Future Capital Projects (Street Improvements) | \$ 630,000 |
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Revenues Anticipated:

| | |
|--|-------------------|
| Transfer from General Fund for Future Capital Projects | <u>\$ 856,210</u> |
|--|-------------------|

| | |
|---|-------------------|
| TOTAL FY 13-14 CAPITAL RESERVE FUND REVENUES | \$ 856,210 |
|---|-------------------|

| | |
|--|-------------------|
| EXISTING CAPITAL RESERVE FUND BALANCE | \$ 210,466 |
|--|-------------------|

SECTION III. CEMETERY FUND

Appropriations Authorized:

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|---|-----------|
| Cemetery Maintenance and Beautification | \$ 10,990 |
|---|-----------|

Revenues Anticipated:

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|---|-----------------|
| Transfer from Cemetery Fund-Undesignated Fund Balance (UFB) | \$ 9,990 |
| Proceeds from Sales of Cemetery Plots | <u>\$ 1,000</u> |

| | |
|---|------------------|
| TOTAL FY 13-14 CAPITAL RESERVE FUND REVENUES | \$ 10,990 |
|---|------------------|

| | |
|---|------------------|
| EXISTING CEMETERY FUND-UFB BALANCE | \$ 42,557 |
|---|------------------|

SECTION IV. TAX RATE ESTABLISHED

There is hereby levied a property tax of twenty-two cents (\$0.22) on each one hundred dollars (\$100) valuation of real and personal taxable property in the Town of Southern Shores, as listed for taxes as of January 1, 2013 by the Dare County Tax Department, for the purpose of raising revenue included in "Property Taxes – Current Year" and "Vehicle Taxes – Current Year" in the General Fund, being Section I. B. of this Ordinance.

The rate of tax is based on an estimated total valuation of real and personal property for the purpose of taxation of \$ 1,282,352,815.00 and an estimated collection rate of 99.85%. The estimated rate of collection is based on the fiscal year 2012-2013 collection rate pursuant to NCGS §159-13(b)(6). This same rate of tax levied (\$0.22) is the same as the "Revenue Neutral Rate" calculated pursuant to NCGS 159-11(e), comparable with the current year's (FY 12-13) tax rate of sixteen cents (\$0.16).

SECTION V. EXPENDITURES

All expenditures must be made in accordance with governing North Carolina General Statutes and adopted Town policies regarding purchasing and bidding as last updated by the Town Council on January 22, 2013.

Notwithstanding, the Budget Officer is hereby authorized to expend funds consistent with the governmental functions and amounts shown as appropriated and to execute such documents necessary for same. Notwithstanding current Town policies regarding purchasing and bidding, the Budget Officer is also hereby authorized to execute documents for the following items or services in accordance with the specific appropriations established by this Ordinance or as the budget may be amended during the fiscal year:

1. multi-year lease, lease-purchase, or purchase of vehicles and equipment.

Notwithstanding current Town policies regarding purchasing and bidding, and upon design approval by the Town Council, the Budget Officer is also hereby authorized to execute documents for the following items or services in accordance with the specific appropriations established by this Ordinance or as the budget may be amended during the fiscal year:

2. contracting services for any street improvement project
3. construction of addition/improvements to Police Department building

SECTION VI. CAPITAL RESERVE FUND EXPENDITURES

Withdrawals from the Capital Reserve Fund shall continue to be made for the purposes outlined in that Fund's establishing resolution adopted March 6, 2007, and amended June 19, 2012, and by this Ordinance are authorized to be made to the General Fund for such purposes consistent with the provisions outlined in NCGS §159-22.

SECTION VII. CAPITAL PROJECT AND FUND ESTABLISHED [NCGS §159-13.2(b); §159-26(b)(6)]

Pursuant to authority granted in NCGS §159-13.2(b), a *Capital Project* as defined in NCGS §159-13.2(a)(1) and a *Capital Project Fund* within the meaning of NCGS §159-26(b)(6) is hereby established in this Budget Ordinance. In accordance with NCGS §159-13.2(c), the Capital Project identified by this Section of the Budget Ordinance shall begin only after adoption of this ordinance and only after full authorization by the Town Council for the Mayor or the Town Manager to execute all documents necessary to receive proceeds to finance the project and to contract for its construction.

Description: A Capital Project known as the "Canal Dredging Project Phase II" is hereby established for the primary purpose of removing accumulated spoil material from the submerged bottoms of Town-owned recreational and navigable canals located throughout the Town and which have not heretofore been maintenance dredged in a previous project occurring in calendar years 2009-2011. Also included in this Capital Project is the secondary purpose of constructing improvements to buildings (or new construction) at the Town Hall complex. Actual work for the Capital Project is estimated to occur over a twelve (12) month period, and debt financing for the Capital Project will be paid back over a seven (7) year period following closing of the loan for financing. Total debt service payments are anticipated at \$246,800 annually. (PNC term Sheet calls for semi-annual payments, \$123,875 due 12/19/13 and \$122,925 due 6/19/14).

Revenues Identified: It is anticipated that the Town will enter into an agreement for installment contract financing with PNC Bank as approved by the NC Local Government Commission (LGC) for an amount estimated not to exceed **\$ 1,547,880**. LGC approval is anticipated June 4, 2013 and loan documents and construction contract closing is anticipated June 19, 2013. Initial

contractor mobilization is estimated to commence July 1, 2013; actual dredging is anticipated to commence October 1, 2013 and cease by no later than February 15, 2014. Contractor demobilization for the dredging purpose is estimated to occur within six weeks following completion of dredging. Contractor completion for the improvements (or new construction) to the Town Hall complex is estimated to be no later than June 30, 2014.

Appropriations Necessary for Project Completion:

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|---|------------------------|
| Contract for Canal Dredging/Removal/Disposal | \$ 1,212,880.00 |
| Dredging Performance Surveys | 50,000.00 |
| Dredging - Sub Aquatic Vegetation Survey | 10,000.00 |
| Engineering for Dredging | 50,000.00 |
| Town Hall Complex Improvements (and New Construction) | 175,000.00 |
| Project Contingency | 50,000.00 |
| Total | \$ 1,547,880.00 |

SECTION VIII. LEASE REVENUES

The Budget Officer is hereby authorized to execute such documents necessary for the realization of revenues or other consideration from any lease or use of Town property with a term not to exceed three years.

SECTION IX. BUDGET OFFICER LINE TRANSFER AUTHORIZATION

The Town Manager shall be authorized to reallocate Departmental appropriations among the various objects of expenditures as he believes necessary for appropriate budget performance, and is also authorized to make inter-departmental transfers including from a departmental contingency line, within the same Fund, not to exceed 10% of the appropriated monies for the Department whose allocation is reduced.

SECTION X. BUDGET OFFICER RESTRICTIONS

With exception of any discretionary merit pay and cost of living adjustments as appropriated in this ordinance, no salary increases may be made without approval of the Town Council. Inter-fund transfers that are not established in the budget document may be accomplished only with the prior authorization of the Town Council.

SECTION XI. UTILIZATION OF BUDGET AND BUDGET ORDINANCE

This Ordinance and the Budget Document shall be the basis of the financial plan for the Town of Southern Shores, North Carolina Municipal Government during the fiscal year 2013-14. Copies of this Budget Ordinance shall be furnished to the Clerk of the Town Council and to the Budget Officer and Finance Officer, and is to be kept on file by them for their direction in the disbursement of funds.

ADOPTED this 18 day of June, 2013

ATTEST:


Sheila Kane, Town Clerk

